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C O N F I D E N T I A L SECTION 01 OF 02 DHAKA 001333

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SUBJECT: BANGLADESH'S NUCLEAR POWER AMBITIONS

REF: DHAKA 738

Classified By: CDA.a.i. GEETA PASI FOR REASONS 1.4(b) AND (d)

11. (C) SUMMARY. Bangladesh's power crisis continues to worsen, and the Caretaker Government would like to show progress in this area. Since the IAEA approved Bangladesh's intent to develop a nuclear power plant on June 24, Bangladesh has continued to express strong interest in pursuing nuclear power and has taken steps to move towards realizing that goal. With at least four years before a power reactor complex could become operational, however, nuclear power is not a quick fix for Bangladesh's power problems.
END SUMMARY

12. (U) IAEA APPROVAL FOR NUCLEAR POWER. Local media trumpeted the June 24 announcement that the International Atomic Energy Agency (IAEA) had approved Bangladesh and seven other developing countries' plans for nuclear power reactors. Bangladesh has a 20-year old plan to build a 600 megawatt plant in Dinajpur in the far northwest, but other than acquiring the land, no action has been taken. Adviser for the Power and Energy Ministry Tappan Chowdhury publicly pointed to the IAEA approval as one of various moves the Caretaker Government has made to resolve the country's worsening power crisis. Media also announced an offer from South Korea to finance 60% of the project and that a high-powered delegation would travel to South Korea in July for an IAEA conference and discussions about the potential investment.

13. (C) STEPS TOWARDS REALIZING THE GOAL OF NUCLEAR POWER. Bangladesh Atomic Energy Commission (BAEC) Chairman Shafiqul Islam Bhuiyan, Ph.D, and S. M. Wahid-uz-Zaman, Secretary of the Ministry of Science and Information & Communication Technology, confirmed to Econoff that they had visited South Korea in July and toured at least one reactor facility. During an August 4-13 visit to Bangladesh by a Department of Energy (DOE) radiological security team, Chairman Bhuiyan also took the opportunity to stress his intent to make the existing Savar research reactor facility a 'model project' to demonstrate Bangladesh's ability to properly secure radiological materials. (NOTE: The DOE team's actions regarding physical security upgrades of Bangladesh's existing radiological materials - research reactor, waste processing facility, oncology centers and commercial irradiation facilities - will be reported septel. END NOTE.) Chairman Bhuiyan also emphasized Bangladesh's commitment to peaceful, non-military use of nuclear power and Bangladesh's signature of relevant treaties, such as the Nuclear Non-Proliferation Treaty.

¶4. (C) BANGLADESH ATOMIC ENERGY COMMISSION STRUGGLES TO STAY RELEVANT. Secretary Wahid-uz-Zaman and BAEC Chairman Bhuiyan both characterized the goal of nuclear power as a make or break event for the BAEC during meetings with Econoff and the DOE team. In the Secretary's opinion, the BAEC, its research reactor and its activities are sometimes characterized as an expensive white elephant that Bangladesh cannot afford to sustain. (NOTE: While the BAEC facility does valuable work in preparing isotopes for medical use and irradiating commercial goods, it does not communicate these benefits effectively or offset its expense through its commercial services. END NOTE.)

¶5. (C) USG CURRENTLY FAVORED, BUT NOT THE ONLY OPTION. The BAEC values the physical security upgrades and training provided through the DOE radiological security program and USG involvement generally. For example, BAEC Chairman Bhuiyan attended graduate school in the US on a DOE scholarship and frequently mentions his strong positive personal feelings towards the DOE and USG. Other BAEC personnel, however, have also studied in China, Russia and South Korea, and therefore have connections with those countries as well.

¶6. (C) COMMENT: Bangladesh has a critical need to increase power generation, as evidenced by a 600 MW decrease in generating capacity since August 2 due to scheduled and unscheduled maintenance; as a result, it is even more pressing for the Caretaker Government to at least appear to be making progress on this problem. While nuclear power is a long term undertaking, movement towards creating a nuclear power facility would not only be perceived progress towards a

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solution to the power crisis but also would provide the prestige of being highly-developed and technologically advanced. Bureaucratically, the BAEC seeks to increase its relevance and its operations, with attendant increase in funding, personnel, prestige, etc. Pursuit of nuclear power also allows Bangladesh to sidestep, at least temporarily, the politically sensitive issues relating to developing gas and coal resources, including the particularly difficult question of exports. Regardless of Bangladesh's eventual success or failure in securing foreign aid or investment for developing nuclear power, the GOB's clear desire to move in that direction presents the USG with an opportunity to continue engaging the BAEC on improving radiological security. This engagement would provide the US with both the counterterrorism benefit of denying access to radiological sources and also with the opportunity to remain included in the development of the GOB's nuclear power plans.
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